CHAPTER 3

PERFORMANCE BASED SERVICE AQUISITIONS

OBJECTIVES

- Discuss the philosophy of performance based service contracts
- Identify the application of AFI 63-124, PBSAs
- Identify key management duties
- Explain the concept of partnering

PHILOSOPHY OF SERVICE CONTRACTING

- Reasons for Change
  - Acquisition reform principles
  - Implementing commercial practices
  - QAP program concerns
  - Cuts in funding
  - Increased outsourcing

MAJOR PRINCIPLES IN AFI 63-124

- Describe the requirement in terms of results required rather than the methods of performance
- Use measurable performance standards and quality assurance surveillance plans

MAJOR PRINCIPLES IN AFI 63-124

- Specify procedures for reductions of fee or price
- Include performance incentives where appropriate

ACQUISITION PHILOSOPHY

- Provides flexibility
- Promotes acquisition reform principles
- Encourages commercial practices
- Promotes business process improvements

ACQUISITION PHILOSOPHY

- Promotes team approach
- Requires market research
- Emphasizes performance based service contracting

Application of AFI 63-124

- Replaces AFMAN 64-108 and AFI 63-504
- Applies to all AF service contracts over $100,000 annually
- Exemptions listed in Appendix 2
- Other exemptions prepared and coordinated by the Functional Director / Functional Commander (FD/FC)

KEY MANAGEMENT DUITES

INSTALLATION COMMANDER

- Provides the resources for multifunctional teams
- Establishes and maintains the installation services quality assurance program
- Chairs the installation Performance Management Council

BUSINESS REQUIREMENTS AND ADVISORY GROUP

- Customer-focused multifunctional team, instituted under the authority of the installation commander, which plans and manages service contracts throughout the life of the requirement
- Required for EVERY requirement developed under AFI 63-124

BUSINESS REQUIREMENTS AND ADVISORY GROUP

- Business/acquisition strategy development
- Acquisition planning
- Market research
- Requirements and solicitation development
- Source selection

BUSINESS REQUIREMENTS AND ADVISORY GROUP

- Contract performance management
- Briefing the contracting squadron commander
- Providing updates to the PMC
- Collection of past performance information

Contracting Squadron Commander

- Functions as installation business advisor
- Responsible for forming BRAGs
- Assigning a QAPC
- Facilitating the use and contribution to the SAF/AQC contracting toolkit

FUNCTIONAL DIRECTOR / FUNCTIONAL COMMANDER

- Squadron commander or director
- Assigns competent and capable functional experts to the BRAG
- Ensures the development and delivery of the requirements package
- Assigns QA personnel

CONTRACTING OFFICER

- Delegates authority for inspection and/or acceptance
- Informs the contractor of the names, duties and limitations of authority for QA personnel

QUALITY ASSURANCE PERSONNEL

- A primary and alternate should be assigned
- QAP duties take precedence over all other duties
- QAP must be appointed and trained prior to assuming QA responsibilities

QUALITY ASSURANCE PERSONNEL

- Evaluate and document contractor performance IAW the QASP
- Notify the C.O. of any performance deficiencies
- Maintain surveillance documentation
- Recommend improvements to the QASP and SOW

QUALITY ASSURANCE PROGRAM COORDINATOR

- Coordinator for the FD/FC
- Provides training to all QAP's and FD/FC's

PARTNERING

An attitude which defines a relationship of teamwork, cooperation, and good faith performance to meet mission objectives

PARTNERING

- Is not a contractual agreement
- Does not create any legally enforceable rights or duties

BENEFITS OF PARTNERING

- Establishing mutual goals and objectives
- Building trust and encouraging open communication
- Enabling parties to anticipate and resolve problems

BENEFITS OF PARTNERING

- Reducing the time and cost of contract performance
- Avoiding disputes through informal conflict management procedures
- Avoiding litigation through the use of Alternate Dispute Resolution

PARTNERING

- Contractor’s role
- Government’s role
- Formal vs informal

CONCLUSION

- Discuss the philosophy of performance based service contracts
- Identify the application of AFI 63-124, PBSAs
- Identify key management duties
- Explain the concept of partnering